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SUBJECT: WASIT DEPUTY GOVERNOR AND PROVINCIAL COUNCIL STRUGGLE WITH
RECONSTRUCTION ISSUES

CLASSIFIED BY: Alfred Fonteneau, Regional Coordinator, REO
Hillah, Department of State.
REASON: 1.4 (b), (d)

¶1. (C) SUMMARY. Wasit Deputy Governor Ahmed Abdel Salam Rasheed, in a meeting with Regional Embassy Office (REO) Al-Hillah staff, expressed his frustration with the slow pace of reconstruction in the province. Though the security situation in the province is generally stable, Wasit lacks the capacity to execute the large-scale infrastructure projects the Deputy Governor and Provincial Council (PC) believe are necessary for the province's development. A recent PC resolution, passed with the support of the Deputy Governor, inviting foreign companies to invest in the province, reflects the frustration of provincial authorities with the inability of the central government in Baghdad to provide for Wasit's reconstruction needs. END SUMMARY.

¶2. (C) Newly elected Wasit Deputy Governor Ahmed Abdel Salam Rasheed, in a recent meeting with REO staff, declared accelerated reconstruction progress to be his highest priority. Rasheed, elected to the Provincial Council on the Shi'a Islamist "Wasit Elites" slate, is a nominal independent with close ties to the Supreme Council for the Islamic Revolution in Iraq (SCIRI). He assumed the Deputy Governorship in March, after former Deputy Governor Mohammed Al-Khateeb moved to Baghdad to take his seat on the Council of Representatives.

¶3. (C) Since taking office, Rasheed has focused heavily on reconstruction issues. The Provincial Council, with the support of the Deputy Governor, recently passed a resolution encouraging foreign companies to invest in Wasit province. In his opinion, the Kurdish model of economic autonomy would be ideally suited to Wasit and the other heavily Shi'a Southern provinces. However, the Wasit PC's call for foreign investment will not yield results, as the amount of money available from the government in Baghdad is too small to attract foreign companies, Rasheed related.

¶4. (C) Rasheed sees the lack of qualified contractors and construction companies in the province as a major obstacle to reconstruction progress. The PC and the Governor's office are wary of many of the existing contractors because they fear a repeat of quality problems that, according to Rasheed, plagued earlier USG funded reconstruction initiatives.

WASIT READY TO SPEND, BUT MORE IS NEEDED

¶5. (C) Rasheed confirmed earlier reports (reftel) that Wasit is well-positioned to spend the Rapid Response and Reconstruction funds allocated to the province by the national government. However, he strongly disagrees with the requirement that large

projects in excess of USD 1 million be approved by the Council of Ministers. The rule unnecessarily restricts the authority of the PC and provinces with stable security situations should have the freedom to pursue large projects that lead to dramatic change, according to Rasheed.

¶6. (C) Rasheed addressed REO concerns about the equitable distribution of funds and projects in outlying areas of the province, particularly the mixed Sunni-Shi'a areas around Suwerah in Northwest Wasit, and isolated and rural areas outside of Al-Kut, the provincial capital. The province's reconstruction funds will be allocated based on population, according to the Deputy Governor. In any case, regular meetings with local council chairman and mayors from around the province ensure coordination, Rasheed offered.

¶7. (C) COMMENT. Rasheed, a relatively unknown member of the PC, is much more involved in day-to-day operations of the province than his predecessor. Though nominally an independent, he is a member of the Shi'a Islamist "Wasit Elites" list, which controls three quarters of the provincial council and is made up largely of SCIRI and Badr Organization members. His concern on reconstruction issues accurately reflects the concern about lack of infrastructure in this largely peaceful province. The Provincial Council resolutions encouraging foreign investment are at this point an expression of intent, and do not appear to represent any concrete planning within the Wasit government to create a business climate that would encourage investment. END COMMENT.

FONTENEAU